

LAW OFFICES OF
LOUIS E. GITOMER, LLC.

LOUIS E. GITOMER
Lou@lgraillaw.com

MELANIE B. YASBIN
Melanie@lgraillaw.com
410-296-2225

600 BALTIMORE AVENUE, SUITE 301
TOWSON, MARYLAND 21204-4022
(410) 296-2250 • (202) 466-6532
FAX (410) 332-0885

January 29, 2013

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

233750
ENTERED
Office of Proceedings
January 29, 2013
Part of
Public Record

RE: Docket No. FD 35714, *Puget Sound & Pacific Railroad Company-Lease Exemption—The United States of America*

Dear Ms. Brown:

Enclosed for filing are the original and ten copies of a Notice of Exemption by Puget Sound & Pacific Railroad Company to lease a line of railroad from the United States of America. Enclosed is a computer diskette containing the Notice in Word and pdf format. Also enclosed is a payment of \$1,800 for the notice of exemption.

Please time and date stamp the additional copy of this letter and the Notice and return them with our messenger. Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for Puget Sound & Pacific
Railroad Company

Enclosures

FEE RECEIVED
January 29, 2013
SURFACE
TRANSPORTATION BOARD

FILED
January 10, 2013
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 35714

PUGET SOUND & PACIFIC RAILROAD COMPANY—LEASE EXEMPTION—
THE UNITED STATES OF AMERICA

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, *et seq.*

Kenneth G. Charron, Esq.
RailAmerica, Inc.
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256
(904) 538-6329

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

Attorneys for: Puget Sound & Pacific
Railroad Company

Dated: January 29, 2013

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD-35714

PUGET SOUND & PACIFIC RAILROAD COMPANY—LEASE EXEMPTION—
THE UNITED STATES OF AMERICA

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, *et seq.*

Puget Sound & Pacific Railroad Company (“PSAP”), a Class III carrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart E-Exempt Transactions Under 49 U.S.C. § 10902 for Class III Rail Carriers, with the Surface Transportation Board (the “Board”) for PSAP to operate under a Lease dated January 16, 2013 between the United State of America (the “Navy”) and PSAP (the “Lease Agreement”). The Lease Agreement replaces a Transportation Agreement dated December 11, 1944 between the Northern Pacific Railway Company¹ (“Operating Agreement”) and the Navy, as amended. Under the Operating Agreement, PSAP provides service on a government-owned line between Shelton and Bangor, WA, a distance of approximately 44 miles, including a branch line to Bremerton Navy Yard, a distance of approximately 4.6 miles, in Kitsap and Mason counties, WA (the “Line”). *See PSAP Operating Company, Inc.—Acquisition and Operation—ParkSierra Corp.* STB Docket No. FD 34200 (STB served May 23, 2002). There are no mileposts on the Line. PSAP will provide the same common carrier services under the Lease Agreement as it currently provides under the Operating Agreement.

¹ PSAP is a successor in interest to the Northern Pacific Railway Company.

PSAP's annual revenues exceed \$5,000,000. PSAP will remain a Class III rail carrier after consummation of this transaction.

PSAP is filing this notice pursuant to 49 U.S.C. §10902 and is filing a concurrent petition for waiver of the notice requirements of 49 C.F.R. §1150.42(e) because no employees will be effected by the change from the Operating Agreement to the Lease Agreement, which will maintain the operational status quo.

In support of this Notice of Exemption, PSAP submits the following information as required by 49 C.F.R. §1150.43:

a. Full name and address of applicant:

Puget Sound & Pacific Railroad Company
1710 Midway Court
Centralia, WA 98531

b. Applicant's Representative:

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

c. The Navy, as lessor, and PSAP, as lessee, have entered the Lease Agreement.

d. The operator of the property will continue to be PSAP.

e. Summary of proposed transaction:

1. The name and address of the railroad transferring the property is:

The United States of America
Naval Facilities Engineering Command, Northwest
1101 Tautog Circle
Silverdale, WA 98315

2. The proposed schedule for consummation of the transaction is February 28, 2013, if

the Board grants the waiver of 49 C.F.R. §1150.42(e), or 60 days from the date of compliance with 49 C.F.R. §1150.42(e).

3. Pursuant to the Lease Agreement between PSAP and the Navy, PSAP will continue to operate the Line owned by the Navy. The Line runs between Shelton Line and Bangor, WA, a distance of approximately 44 miles, and includes a branch line to Bremerton Navy Yard, a distance of approximately 4.6 miles, in Mason and Kitsap Counties, WA.

4. PSAP will lease about 48.6 miles of track from the Navy and will continue to operate the Line and all ancillary trackage and property.

f. A map of the Line is attached as Exhibit D. The map is in color and will be the last page of this pleading.

g. A Certificate of Compliance with the provisions of 49 C.F.R. §1150.43(g) is attached as Exhibit A. PSAP's annual revenues exceed \$5,000,000. However, as the proposed transaction only changes the type of agreement governing the relationship between PSAP and the Navy, operations are not expected to change and there will be no impact on employees.

h. Interchange commitments. There are no interchange commitments to the Navy or any rail carrier as part of the transaction.

i. A caption summary, as required by 49 C.F.R. §1150.44, is attached as Exhibit B.

j. No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. The proposed transaction is a lease of the Line. Hence, this Notice of Exemption does not require environmental documentation under 49 C.F.R. §1105.6(b)(4) and (c)(2)(i).

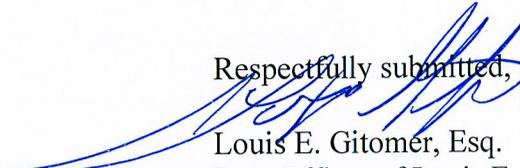
k. An historic report is not required because PSAP will continue to operate the Line, will require

further Board authorization to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

This action will not significantly affect either the quality of the human environment or energy conservation.

Kenneth G. Charron, Esq.
RailAmerica, Inc.
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256
(904) 538-6329

Respectfully submitted,



Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgrailaw.com

Attorneys for: Puget Sound & Pacific
Railroad Company

Dated: January 29, 2013

EXHIBIT A—CERTIFICATE OF COMPLIANCE

CERTIFICATION

State of Washington)
)ss:
County of Lewis)

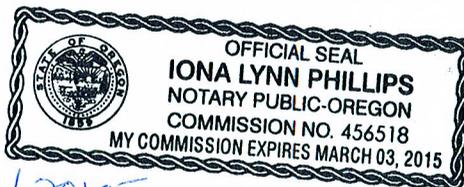
I, Donald Seil, being duly sworn depose and state that I am the General Manager of the Puget Sound & Pacific Railroad Company, and that the projected annual revenues from the rail operations of the Puget Sound & Pacific Railroad Company, would not exceed those that would make it a Class II carrier under 49 C.F.R. Part 1201(1-1).

Donald Seil

Subscribed and sworn to before me this 28 day of January 2013.

Iona Lynn Phillip
Notary Public

(SEAL)



My Commission Expires: March 3 / 2015

EXHIBIT B – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 35714

**PUGET SOUND & PACIFIC RAILROAD COMPANY—LEASE EXEMPTION—
THE UNITED STATES OF AMERICA**

Puget Sound & Pacific Railroad Company (“PSAP”) has filed a verified notice of exemption under 49 C.F.R. § 1150.41 operate under a Lease dated January 16, 2013 between the United State of America (the “Navy”) and PSAP (the “Lease Agreement”) covering 48.6 miles of railroad. The Lease Agreement replaces a Transportation Agreement dated December 11, 1944 (the “Operating Agreement”) between the Northern Pacific Railway Company² (“Operating Agreement”) and the Navy, as amended. The line runs between Shelton and Bangor, a distance of approximately 44 miles, and includes a branch line to Bremerton Navy Yard, a distance of approximately 4.6 miles. The Line runs through Kitsap and Mason Counties, WA.

The transaction is scheduled to be consummated on February 28, 2013, if the Board grants the waiver of 49 C.F.R. 115 0.42(e), or 60 days from the date of compliance with 49 C.F.R. 115 0.42(e).

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

² PSAP is a successor in interest to the Northern Pacific Railway Company.

An original and 10 copies of all pleadings referring to STB Docket No. FD 35714, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer, LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou@lgraillaw.com.

Board decisions and notices are available on our website at “www.stb.dot.gov.” Decided: _____, 2013.

By the Board, Rachel D. Campbell, Director, Office of Proceedings

VERIFICATION

State of Washington)
)ss:
County of Lewis)

I, Donald Seil, being duly sworn depose and state that I am the General Manager of the Puget Sound & Pacific Railroad Company, and that I am authorized to make this verification, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

Donald Seil

Subscribed and sworn to before me this 28 day of January 2013

Iona Lynn Phillips
Notary Public

(SEAL)



My Commission Expires: 3/3/2015

EXHIBIT C—CERTIFICATION OF LABOR NOTICE

I hereby certify that on January 24, 2013 PSAP posted the attached Notice at the workplace of employees on the rail line that is the subject of this transaction and on January 29, 2013 PSAP served a copy of the Notice on the national office of the Brotherhood of Locomotive Engineers and Trainmen.



Louis E. Gitomer
January 29, 2013

LAW OFFICES OF
LOUIS E. GITOMER, LLC.

LOUIS E. GITOMER
Lou@lgraillaw.com

MELANIE B. YASBIN
Melanie@lgraillaw.com
410-296-2225

600 BALTIMORE AVENUE, SUITE 301
TOWSON, MARYLAND 21204-4022
(410) 296-2250 • (202) 466-6532
FAX (410) 332-0885

January 29, 2013

Mr. Malcom B. Futhey, Jr.
International President
United Transportation Union
24950 Country Club Blvd., Ste. 340
North Olmsted, OH 44070-5333

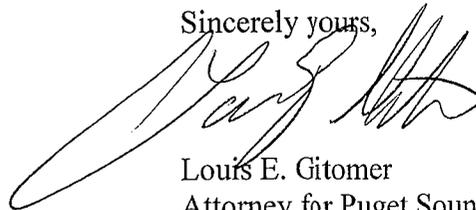
RE: Docket No. FD 35714, *Puget Sound & Pacific Railroad Company-Lease
Exemption—The United States of America*

Dear Mr. Futhey:

Pursuant to 49 C.F.R. 1150.42(e) the Puget Sound & Pacific Railroad Company notifies you that it intends to lease a line of railroad from the United States of America. A copy of the notice to employees is enclosed.

Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for Puget Sound & Pacific
Railroad Company

Enclosures

January 24, 2013

PUGET SOUND & PACIFIC RAILROAD COMPANY (“PSAP”)

NOTICE TO PSAP EMPLOYEES OF THE LEASE BETWEEN PSAP AND THE UNITED STATES OF AMERICA

Pursuant to Surface Transportation Board (the “Board”) regulations at 49 C.F.R. § 1150.42(e), the Puget Sound & Pacific Railroad Company (“PSAP”), hereby provides notice to its employees that PSAP has executed a Lease dated January 16, 2013 with the United States of America Department of the Navy (the “Navy”), which will replace and terminate the original Transportation Agreement dated as of December 11, 1944, and amended April 3, 2001 (the “Original Lease”) between the Navy and PSAP between Shelton and Bangor, WA, a distance of approximately 44 miles, including a branch line to Bremerton Navy Yard, a distance of approximately 4.6 miles, in Kitsap and Mason counties, WA. The Lease will become effective on February 16, 2013, if the Board grants the waiver of 49 C.F.R. § 1150.42(e), or March 16, 2013 in compliance with 49 C.F.R. § 1150.42(e).

PSAP intends to file a notice of exemption with the Board on January 28, 2013 in Docket No. FD 35714, *Puget Sound & Pacific Railroad Company—Lease Exemption—The United States of America*.

As a result of the Lease, PSAP does not expect any change in operations or in the number of operating employees on the Line. PSAP does not expect to hire any additional employees.

This notice is being posted in accordance with the requirements of 49 C.F.R. § 1150.42(e) which requires the posting of a notice of intent to undertake a proposed transaction under 49 U.S.C. § 10902 that will result in projected annual revenues in excess of \$5 million at the workplace of the employees of the affected railroad line(s) at least 60 days before the notice of exemption relating to the proposed transaction becomes effective. A copy of this notice is being served by overnight delivery on the national offices of the labor unions with employees on the affected railroad line(s). PSAP is concurrently certifying to the Board that it has served and posted this notice.

EXHIBIT D—MAP

